

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

IN THE MATTER OF THE
REGISTRATION APPLICATION OF
DOLEY SECURITIES, LLC

Respondent.

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) CASE NO. SEC-2012-118
)
) **FINDINGS OF FACT,**
) **CONCLUSIONS OF LAW,**
) **ORDER, AND NOTICE OF**
) **OPPORTUNITY FOR HEARING**
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Doley Securities, LLC (Doley) is a limited liability company domiciled in the state of Louisiana. Doley submitted a broker-dealer registration application to the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI). Upon motion of the CSI, and after review of the registration application; CSI correspondence with Doley; Financial Industry Regulatory Authority (FINRA) records relating to Doley; and CSI staff recommendations, the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner) makes the following:

FINDINGS OF FACT

1. Doley Securities, LLC (Doley), CRD # 7081, is a limited liability company domiciled in the state of Louisiana. The firm is located at 616 Baronne Street, New Orleans, LA 70113.

2. On March 8, 2010, Doley submitted an application to register as a securities broker-dealer firm with the CSI.

3. On March 9, 2010, the CSI sent Doley a certified letter requiring the firm to disclose the existence of any transactions with Montana residents for the period March 9, 2008, to the present. The CSI received a certified letter acknowledgment card on March 15, 2010, indicating the firm received the letter. Doley did not respond to the request for information.

4. On September 3, 2010, the CSI sent Doley a second certified letter requiring the firm to disclose the existence of any transactions with Montana residents. The CSI received a certified letter acknowledgment card on September 13, 2010, indicating the firm received the letter. Doley did not respond to the request for information.

5. On December 5, 2011, Doley filed a Form BD-W in an attempt to withdraw its application with the CSI. The CSI sent a letter to Doley on December 6, 2011, stating that it would not process the withdrawal until Doley responded to the CSI's previous letters and disclosed the existence of any transactions with Montana residents. Doley did not respond to the letter.

6. On April 17, 2012, the CSI sent a "Final Request for Information" certified letter requiring Doley to respond to its previous correspondence. The letter required Doley to provide a response within ten business days of receipt of the letter. It stated that "[f]ailure to provide this information will be deemed a refusal to provide this information." A certified letter acknowledgment card was received dated April 23, 2012.

7. To date, Doley has not responded to the CSI's requests for information.

8. On April 17, 2012, FINRA issued a Notice of Intent to Suspend Letter to Doley for its failure to pay arbitration fees assessed in FINRA Arbitration Case 10-05352.

9. On May 8, 2012, FINRA suspended Doley's FINRA membership for failure to pay arbitration fees assessed in FINRA Arbitration Case 10-05352.

10. On June 1, 2012, FINRA suspended Doley's FINRA membership for failure to file its March 2012, FOCUS report.

11. On July 3, 2012, FINRA suspended Doley's FINRA membership for failure to file its April 2012, FOCUS report.

12. On July 20, 2012, FINRA expelled Doley from FINRA membership for failure to timely request termination of its suspension.

Having made the foregoing Findings of Fact, the Commissioner makes the following:

CONCLUSIONS OF LAW

1. The State Auditor is the Commissioner of Securities and Insurance pursuant to Mont. Code Ann. §§ 2-15-1901 and 2-15-1903.

2. The Commissioner and the CSI have jurisdiction over this matter pursuant to Mont. Code Ann. §§ 30-10-102, 30-10-107, and 30-10-201.

3. The administration of the Securities Act of Montana (Act), Mont. Code Ann. § 30-10-101, et seq., is under the supervision and control of the Commissioner. Mont. Code Ann. § 30-10-107.

4. The Commissioner shall administer the Act to protect investors, persons engaged in securities transactions, and the public interest. Mont. Code Ann. § 30-10-102.

5. It is unlawful for a person to transact business as a broker-dealer unless the person is registered with the Commissioner or an exemption applies. Mont. Code Ann. § 30-10-201(1).

6. A broker-dealer may apply for registration by filing an application in a form prescribed by the Commissioner. Mont. Code Ann. § 30-10-201(6).

7. A broker-dealer registration application must contain whatever information the Commissioner requires. Once submitted, an application may not be withdrawn without the express written consent of the Commissioner. Mont. Code Ann. § 30-10-201(7).

8. The Commissioner may, by order, deny the registration of any broker-dealer if the Commissioner finds that the order is in the public interest and that the broker-dealer:

a. has filed an application that was incomplete in any material respect, or
b. has not complied with a condition imposed by the Commissioner pursuant to Mont. Code Ann. § 30-10-201, or

c. is not qualified on the basis of such factors as training, experience, or knowledge of the securities business. Mont. Code Ann. § 30-10-201(13).

9. Denial of the registration of Doley is in the public interest because the firm has demonstrated a failure to conform to fundamental securities industry practices, including adherence to registration procedures, the filing of FOCUS reports, and the payment of arbitration fees incurred in the course of business. Mont. Code Ann. § 30-10-201(13).

10. Doley filed a materially incomplete registration application with the CSI by failing to provide records of prior transactions with Montana residents despite repeated requests to do so, in violation of Mont. Code Ann. § 30-10-201(13)(a).

11. By filing an incomplete registration application, Doley failed to comply with a condition imposed by the Commissioner pursuant to Mont. Code Ann. § 30-10-201(7).

12. Doley's non-adherence to registration procedures, its failure to file FOCUS reports, and its failure to satisfy arbitration fees demonstrate a lack of the training, knowledge, and appreciation of regulatory principles required of broker-dealers registered to do business in the state of Montana. Mont. Code Ann. §30-10-201(13)(i).

ORDER

THEREFORE, it is hereby ORDERED, that based on the foregoing, the broker-dealer registration application of Doley Securities, LLC is DENIED.

NOTICE OF OPPORTUNITY FOR HEARING


Doley is hereby notified of its right to request a hearing to dispute the denial of its broker-dealer registration application. Should Doley request a hearing, it has the right to be accompanied, represented, and advised by counsel. If the counsel Doley chooses has not been admitted to practice law in the state of Montana, he or she must comply with the requirements of *Application of American Smelting and Refining Co.*, 164 Mont. 139, 520 P.2d 103(1973), and *Montana Supreme Court Commission on the Unauthorized Practice of Law v. O'Neil*, 2006 MT 284, 334 Mont. 311, 147 P.3d 200.

If it desires to request a hearing, Doley must do so within 15 days after receipt of this Notice of Opportunity for Hearing. Mont. Code Ann. § 30-10-201(16). A request for hearing may be submitted, in writing, to the following:

Jesse Laslovich
Office of the Commissioner of Securities and Insurance
Montana State Auditor
840 Helena Avenue
Helena, Montana 59601

In the event Doley does not timely request a hearing, this Order will remain in effect unless and until it is modified or vacated by the Commissioner. Mont. Code Ann. §30-10-201(16).

DATED this 15th day of August, 2012.



ADAM SCHAFFER
Deputy Commissioner
Office of the Commissioner of Securities and
Insurance, Montana State Auditor

CERTIFICATE OF SERVICE

15th I hereby certify the foregoing was served by US mail, first-class postage paid, on the
day of August, 2012, to the following:

Doley Securities, LLC
C/O Chad Robert
616 Baronne, Ste. 300
New Orleans, LA 70113